Leading Engagement from the Outside In: Become an Indispensable Partner in Your Members' Success

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Introduction: Turning Engagement on Its Head

Associations have always been "about" engagement, even if we didn't specifically call it that. To quote the IRS,[1] an association is "a group of persons banded together for a specific purpose." Every association's founding includes people coming together as an organized community to accomplish something together that they couldn't do as efficiently or effectively (or even at all) alone.

We started calling that community "engagement" in part due to an influential report published by Forrester in 2007 titled *Marketing's New Key Metric: Engagement.*[2] The report focused on shifting for-profit customer relationships from a traditional "marketing funnel" mindset, but it pretty much launched the term "engagement" (vis-à-vis customer relationships) into widespread use. Although we've found references to the term "member engagement" showing up in association resources on a regular basis as early as 2005, it became a hot topic in the years immediately following the Forrester report, reaching a critical mass around 2009. The association industry's focus on engagement has only grown since then, with conference sessions, books, articles, research studies, and whitepapers (like this one) all talking about engagement.

The thing is, most of us are still not doing a very good job of engaging our members.

Why not?

Our argument is that the association community has been thinking about engagement all wrong.

Does any of this sound familiar?

- How can we get our members to buy more of X program, product, or service?

1. http://www.irs.gov/Charities-&-Non-Profits/Definition-of-an-Association
2. https://www.adobe.com/enterprise/pdfs/marketing_new_key_metric_engagement.pdf

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- How can we get our members to help us accomplish the association's goals?
- How can we get our members to volunteer more frequently and deliver on their volunteer commitments?
- How can we get our members to recognize and agree that what the association is doing is valuable?

In short, how can we get our members to do what *we* want them to do?

We've been defining engagement by what we value, not by what members value. We perform member satisfaction surveys that basically ask one question: "What do you think of us?" What we should be asking is: "What do you need to be successful? What are you trying to accomplish, and how can we help you get there?"

Our associations have been constructed to have an inside-out perspective: We produce the programs, products, and services that we think our members and other audiences need—memberships, conferences, professional development, publications, industry research, certification or accreditation programs, exhibit space—and then we try to sell them those things. If people keep renewing and buying more stuff, that means they're engaged.

For a long time, that's mostly worked pretty well for us.

Unfortunately, while we've been busily building and marketing the programs, products, and services we think our audiences might like, the world has changed. In 2015, customers are looking for more than a transaction; they're looking for custom solutions that can be constructed only through authentic relationships of the type, duration, and intensity they—not you—want. In "Unlock the Mysteries of Your Customer Relationships," authors Jill Avery, Susan Fournier, and John Wittenbraker illustrate what goes wrong when organizations try to have the relationship their way:

"A customer of a grocery delivery start-up is very happy to have found a service that can save him from one of his least favorite chores: going to the supermarket. He wants this business to survive, so he sends in suggestions for fixing operational glitches. But he gets no response—just a stream of promotional e-mails encouraging him to place orders more frequently. Dismayed, the customer cuts back his use of the service, believing that the company isn't interested in developing a relationship *on his terms*."[3]

In his book *The Hidden Wealth of Customers*, Bill Lee argues that engagement programs fail because organizations have a limited goal: "to induce [customers] to buy more stuff." Yet "by focusing so single mindedly on such a narrow goal, companies shortchange both the customers and themselves" and miss value that is far greater than product sales: developing customers into champions, network builders, and partners in referrals, content, and business development.[4]

What if, instead of membership and product sales, our goal was to enable members to achieve the outcomes that matter most to them?

What if, instead of looking inward to try to build the perfect product, we looked outward to our audiences, interacting with them to understand their needs and experiences?

What if, instead of viewing members as passive consumers of our benefits and programs, we worked with them as co-developers of the value our associations provide?

What if we gave up control and encouraged our audiences to define the terms of their own involvement with us?

3. https://hbr.org/2014/07/unlock-the-mysteries-of-your-customer-relationships/ar/1
4. Bill Lee, *The Hidden Wealth of Customers,* p. 1

American Mensa: Finding Your Tribe

Many of us know Mensa as the organization for smart people or, more officially, the organization that "identifies and fosters human intelligence for the benefit of humanity by encouraging research in the nature, characteristics, and uses of intelligence and by providing a stimulating intellectual and social environment for its members."

But surely there must be something more than a high IQ that binds Mensa's 57,000 members together?

"When I ask people why they join or renew, the most common answer I get is: 'I don't have to explain my jokes,'" shares Pamela Donahoo, CAE, executive director. "Mensa is a place you can find a comfort level with people who are different in the same ways you are different."

One of the most unique characteristics of Mensa membership is special interest groups. Many associations have SIGs, but not like Mensa's. "Our SIGs are self-formed and are related to an incredible variety of topics. They range from location to demographic categories and other personal characteristics to professions to personal interests to hobbies to lifestyle choices like veganism or home schooling. Mensa provides the umbrella under which our members can 'find their tribe,'" says Donahoo.

"We love the fact that our SIGs are so informal. SIG members care passionately about their SIG topics and are deeply involved with them. We're now working on ways to provide consistency of brand and experience while also preserving the 'juiciness' of this highly grassroots movement," notes Donahoo.

The issue is not how to fix engagement, as if it were a separate, standalone program. If you are not a customer-centric, engaging, and engaged organization, you cannot "engage" members, no matter what techniques you employ. Furthermore, many associations are satisfied with a relatively low level of engagement, defined mostly by "buying more stuff," where association membership is a "nice to have," not a "need to have," for our audiences. For the most part, our members are not engaged in the sense of "I just couldn't run my business without this association," or "I couldn't do my job without access to the association hosted peer network," or "I visit their website to use their tools and resources ten times a day."

But we think they could be. Our goal is to help your association learn how to become an engaging and engaged organization, using examples and case studies from a wide variety of membership organizations that have successfully shifted their focus from internal (their own programs, products, services, and goals) to external (their members and other audiences), doing good for their audiences while also prospering as organizations.

Engagement as Strategic Business Imperative: The New Competition

> **"** *For younger generations in particular, "The label of 'membership' is not their terminology. Strategically, organizations need to initialize, enhance and escalate relationships.* **"**
>
> *New Realities Existing Within Converging Trends*
> The Haefer Group, Ltd. and Blanken Consulting/Results Technology, Inc.[5]

Why should we even bother talking about engagement?

First of all, it's become an axiom of association management that "engaged members renew." That also, of course, happens to be true.

But that's not the only reason to focus on engagement. We believe—and there's significant evidence—that dynamic, two-way engagement is *the* fundamental basis for attracting your audiences' attention, involvement, and, ultimately, revenue. You cannot get and keep customers unless you engage them by connecting with what matters to them most. This means that engagement has to go beyond enticing people to participate as passive consumers of your association's programs, products, and services. To engage people at their core, so that they choose you over their almost infinite other options, you must actively facilitate their success and connect to their evolving needs and goals.

Wait! Are we talking about … *competition*?

Competition can be a somewhat unfamiliar concept for associations. Historically, we've been the gatekeepers of access to information, credentials, professional networks, competency development, prestige, and even entry to certain professions. This is no longer the case. With an internet-driven world of unlimited access and open sourcing, controlling access to content and resources can no longer provide a basis for your value proposition.

Rivals for your customers can pop up from the most unlikely sources: for-profit, specialty organizations that target niche groups among your members; for-benefit organizations that challenge your historical monopoly on mission; virtual resource providers who move at speeds far beyond what your traditional decision-making processes can accommodate; your own members' companies that create competing educational programs; free online sources that offer an acceptable "next best alternative."

Deirdre Reid wrote about this situation in a series[6] of posts[7] for the Abila blog in May of 2014, as has one of this whitepaper's co-authors, Anna Caraveli, in her recently released book, *The Demand Perspective*. Caraveli's example concerns the Veterinary Information Network, and Reid addresses a variety of online, for-profit communities that are moving into spaces traditionally dominated by associations, like scientific research (ResearchGate), medical practice (Doximity and SERMO, which features as one of our case studies below), and engineering (GrabCAD). As Reid points out, these are large, well-funded communities that "offer many of the same benefits that have long been part of the association experience—networking, education, and information."

On the other hand, if they're just doing what associations do, why should we be worried? We have the advantage that we were here first, we're mission-driven rather than profit-driven (which does matter to a surprisingly large number of people, as demonstrated in ASAE's *Decision to…* series), and we have established communities and member bases.

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5. http://www.asaecenter.org/foundation2/downloads/haeferBlankenReport.pdf

6. http://blog.abila.com/the-new-competition-for-profit-communities-with-deep-pockets-part-1/

7. http://blog.abila.com/the-new-competition-for-profit-communities-with-deep-pockets-part-2/

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But complacency is dangerous. Associations (and nonprofits) do not have a monopoly on meaningful missions or member-based communities. In fact, as the above examples show, the association membership model has been adapted, modernized, focused, and reinvented by business entities. We're being disrupted.

Successful for-profit communities have a laser focus on what really drives value for their communities, a focus associations often lack. They aren't concerned about putting on an annual meeting and filling scores of volunteer positions and the cycle of board and committee meetings and their certification program and publishing a magazine and a newsletter and lobbying efforts and running affinity programs and the myriad other things associations think they have to do in order to be successful. For-profit communities are trying to "eat our lunch," and there's a decent chance they'll succeed, because they're mastering the art of being awesome at the one thing that matters most to their constituents, rather than taking our traditional kitchen-sink approach in which we offer too many marginal programs and are outstanding at none of them.

How do we compete? We get smarter about engaging those mission-driven communities we've spent years building, re-evaluate dormant assets we have been taking for granted, and uncover hidden or untapped sources of value we have been missing. We use our existing networks of members, former members, future members, customers, industry partners, and legislative partners to create meaningful communities that leverage the collective to create more value and deepen our understanding of the professions and industries we serve. We re-orient our organizations from an internal focus on our own interests and products to an external orientation toward the needs, issues, and desired outcomes that are foremost in our audiences' minds.

We want you to let go of your attachments to the "association way" of doing things. "We have to have an annual conference because we are an association." "We cannot introduce consulting services because we are an association." "We cannot radically alter our membership model because we are an association." Adopting the outside-in approach to engagement means your sole goal is to create value for members. Everything else (program categories, mix of benefits, organizational structure) can be questioned, transformed, or even eliminated as long as doing so solves your audiences' problems and creates value that engages them.

Association of Corporate Counsel (ACC): Supporting Members' Global Outreach

With a motto of "By in-house counsel, for in-house counsel," the Association of Corporate Counsel (ACC) is the membership organization for attorneys who work as in-house counsel in corporations, associations, and other private-sector organizations. ACC provides many common association benefits— resources, networking, and education— targeted to the unique world of attorneys who don't work at law firms.

How has ACC become engaging to those specialized attorneys?

According to Robin Grossfeld, senior vice president and chief global membership officer, "Most of our members work in corporations that have global practices, offices, or business lines. When members started requesting information, education, and resources to help them better understand and respond to legal issues around the world, ACC responded with these products and services. Our members also specifically asked us to help them create networks of peers around the world. As a result, ACC has been expanding outside the U.S. as part of our current strategic plan. It's been a major initiative for us that's been highly successful."

"As with all products and services that ACC provides, it's a process that includes the involvement of members working with ACC staff to provide input on the product and appropriate delivery," concludes Grossfeld.

Keys to Outside-In Engagement

> **"** *...in the past, associations were better positioned to tell members what was or was not of value for their careers as well as for their industry. Associations defined value. Today members define value for themselves based on their own individual context.* **"**

Exploring the Future of Membership, ASAE Foundation[8]

If our conventional, siloed, product-based organizations and our inside-out perspectives are obstacles to truly engaging our members, and we believe they are, how can we overcome them?

From both our primary and secondary research, we've identified the following building blocks to becoming an engaging organization.

Thinking Like Your Members

Associations' usual focus is inside out. Our thinking revolves around our internal problems, needs, and desired outcomes. The association has an attrition problem, and we need to fix it by improving retention. The association is hosting an annual meeting, and we need a certain number of paid attendees, exhibitors, and sponsors to meet our revenue goals. The association has committee seats it needs to fill, and we need a pipeline of volunteers ready to take on that level of responsibility.

Outside-in thinking means thinking from your customers' perspective. To quote Ranjay Gulati, the originator of the outside-in concept we advocate:

> *Most companies with an inside-out perspective become attached to what they produce and sell and to their own organizations. In contrast, the outside-in perspective starts with the marketplace and delves deeply into the problems and questions customers are facing in their lives. It then looks for creative ways to combine its own capabilities with those of its suppliers and partners to address some of those problems. The goal is to bring value to customers in ways that are beneficial for them while also creating additional value for the company itself.[9]*

All the organizations we interviewed that have adopted this new model of engagement are growing, some (intentionally) slowly, some explosively, but all are seeing those internal dashboard trend lines move in the right direction. By taking a deeper, more serious approach to understanding their members, they're not creating "engagement programs" that may entertain or have superficial impact; they are becoming engaging organizations.

Building Real Relationships

Building real relationships is not just about our traditional one-to-many understanding of relationships in associations. It's not just the association's (one) relationship to the (many) members. It's also about each member's (one) relationship back to the (one and many) association as a whole and as individual staff members, as well as members' (many to many) relationships with each other, facilitated by the association.

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8. http://www.asaecenter.org/foundation2/membership.html

9. http://hbswk.hbs.edu/item/6201.html

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Supply Chain Management Association Ontario (SCMAO): Understanding the Audience

SCMAO is the membership organization for supply chain management professionals in Ontario. According to Executive Director Kelly Duffin, over the years, SCMAO had "lost some of the thread of connection" to its audiences' needs, thoughts, and opinions as the organization evolved and as its structure changed. After she was hired in the fall of 2012, SCMAO conducted a comprehensive project to learn more about members and to repair those relationships.

SCMAO worked with a consultant to perform an extremely detailed and deep data-mining project, complemented by comprehensive one-on-one interviews with members, former members, and never-members that led to fielding a substantial opinion survey, again distributed to members, former members, and never-members. Meanwhile, Duffin also traveled around the province, conducting a "listening tour" where she met in person with groups of members in a variety of locations to hear their concerns directly. "We pursued this on multiple fronts, so we would not only be inclusive, but also be seen to be being inclusive," notes Duffin.

The results of this quantitative and qualitative research process then formed the basis for a fall 2014 board and management strategic retreat. "We gave the board the full report and a significant portion of the background data rather than just an executive summary. We wanted to be sure everyone understood the situation thoroughly, so we could then work together honestly and transparently on creating a concrete action plan," says Duffin.

SCMAO is in the midst of making significant changes as a result of what it learned. "We've focused on remaining transparent throughout the process, including frequent communication with everyone who participated in the research, whether they attended a 'listening tour' meeting, participated in a one-on-one interview, or completed our survey. We've been honest about our findings and clear about our plans to implement changes as a result. We want our people know that we value their investment of time and thought in SCMAO, and that we are using it wisely," concludes Duffin.

Forbes calls this customer-focused relationship building "customer intimacy,"[10] and that is what we'd urge associations to adopt as a primary goal: to turn our focus outside in, looking at the world from our audiences' perspectives, helping them achieve the outcomes they desire, and accomplishing that by building and managing authentic relationships with them, which take time, effort, and focus to develop.

Part of being in an authentic relationship is to understand and respect what all parties contribute. The association must become humble, recognizing that members and other stakeholders have as much (if not more) to offer to the community as the association itself. The association must also understand that member needs evolve. People's personal and professional lives are not static, and what they need from the association to accomplish their goals changes over time. The only way the association can remain an authentic partner in the relationship is to be a lifelong learner about, from, and with the members.

In our research, we've found that engaging organizations have shifted their view of audience relationships from transactional to strategic and collaborative.

10. http://www.forbes.com/sites/sap/2011/08/25/enhancing-customer-intimacy/

"Our traditional relationship model has been largely transactional. Members pay for a certain set of benefits, which we provide to them at a cost which we hopefully agree together is fair, while also supporting a certain amount of community good, which the association also provides. Our new relationship model will need to shift to one of richer understanding and genuine empathy for their hopes, fears, needs, and desires, as well as deep engagement with them that reaches far beyond a mere business transaction.

We will have to let our members into our organizations in meaningful ways, as co-creators of new kinds of value, not passive recipients of the same old stuff. [11]"

In short, our argument is that relationships are not peripheral to the "real" business of the association (budget preparation, governance concerns, operational management, event production and management, etc.). Relationships *are* the real business of the association.

Organizing Around Shared Purpose

Associations are well acquainted with the concept of shared purpose. After all, we're mission-driven organizations, whose members come together because of a shared purpose. The issue is that many of our missions are generic and bland.

Association of Delaware Valley Independent Schools (ADVIS): Creating Intimate Stakeholder Relationships

Can a small, regional association with limited resources enjoy any advantage over well-resourced national associations? It can when it understands its competitive advantage: intimate knowledge of the region and deep, personal understanding of the entire roster of players who contribute to the success of its members.

With 133 members, ADVIS already has almost complete penetration of the independent school market in the Delaware Valley (eastern Pennsylvania, southern New Jersey, Delaware, and Maryland). According to Executive Director Barbara Kraus-Blackney, since ADVIS couldn't significantly grow in size, it decided to grow in depth of relationship with members.

In common with many associations, ADVIS runs a sponsorship program, but according to Kraus-Blackney, "our strategy has been one of targeted cultivation, building mutually beneficial and engaging relationships between independent schools and the business community. We focus on deepening the value of relationships rather than on creating a large volume of shallow relationships." ADVIS used its understanding of the Delaware Valley region to identify and engage the companies that could derive the most benefit from access to its membership: for example, architects and construction companies that specialize in school construction.

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11. http://www.getmespark.com//wp-content/uploads/2012/10/AttentionDoesntScale-Whitepaper-Nov20121.pdf

Does this sound familiar?

The Widget Association, a nonprofit membership association founded in 1954, is the leading voice for the widget industry. We represent and advocate for 9,000 widget professionals worldwide. We advance the profession through education, networking, and advocacy.

Contrast that with:

- Our mission is to connect researchers and make it easy for them to share, discover, use, and distribute findings. (ResearchGate)
- Doximity makes your life simpler. (Doximity)
- GrabCAD helps mechanical engineers build great products faster. (GrabCAD)
- Our mission is to revolutionize real-world medicine. (SERMO)

The Widget Association focuses on its internal goals, plans, accomplishments, and importance. The other organizations focus on shared purpose, on what they can accomplish in partnership with members. Which is more compelling?

Tax-exempt organizations have historically differentiated themselves from for-profits on the basis of mission. However, for-profits are increasingly moving into the mission space associations have traditionally claimed as their own, and they're successfully balancing mission and profit so that one supports the other. *Fast Company* recently profiled Chipotle CEO Steve Ells. While Ells admits that Chipotle's mission of "Food With Integrity" is not likely the driving reason you got lunch from Chipotle yesterday, it "animates every decision the company makes" from supply chain to marketing to strategy.[12] Chipotle does not see a dichotomy between mission and profits. Customers pay a premium for what is basically fast food in part because they identify with a company that is not solely driven by profit. This personal connection on the basis of shared value differentiates Chipotle from competitors and generates customer loyalty.

On the other hand, just because you're "mission driven" doesn't automatically mean you're engaging. Your members need to make a personal connection between abstract principles and what drives them on a daily basis. As you'll see in case studies below, engaging associations successfully identify a shared purpose in which all their audiences have a real stake, they make that the basis of forming real relationships with those audiences, and they integrate it with their business strategy. For the National Grocers Association, it's making the voice of independent supermarkets heard in a highly competitive marketplace. For the Society of Hospital Medicine, members are joining a young movement to revolutionize patient care. As you will see, both NGA and SHM have joined purpose with revenue generation and growth in ways that allow mutual support and reinforcement of both lofty and mundane goals. Their missions translate into actionable and measurable outcomes that directly affect their members' ability to succeed.

Focusing on Outcomes

Henry Ford is famous for saying, "If I had asked people what they wanted, they would have said faster horses." He's right. If he had asked people what they *wanted* they would have said faster horses. But what if he had asked people what they were trying to accomplish?

As a recent Innovation Excellence post[13] points out, our efforts to bring our audiences into innovation work often fail because we ask the wrong question. We ask, "What do you want?" People don't know, so they ask for faster horses. We plod along, running our annual member satisfaction surveys and overreacting to tiny changes in the results, panicking when they go down and buying a pizza lunch for the office when they go up.

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12. http://www.fastcompany.com/3035975/generation-flux/find-your-mission
13. http://www.innovationexcellence.com/blog/2015/01/03/were-ford-and-jobs-wrong-can-customers-help-create-blockbuster-products/

Home Builders & Remodelers Association of Connecticut: Not Your Father's Awards Program

Plenty of associations run awards programs, and plenty of those awards programs have gone stale: The association has a hard time generating submissions and recruiting judges, few people attend the awards ceremony, and those who do end up eating "conference chicken" while sitting through a bunch of association-focused speeches.

Not at HBRA-CT. According to Bill Ethier, CAE, CEO, its annual HOBI awards program, which recognizes excellence in more than 70 home building categories, is "hugely successful in both attendance and sponsorship."

Why are the HOBI awards such a hit?

Ethier's team, under the direction of his "excellent" meeting planner, puts on a first-class event. It's a black tie-optional party for 800 members and guests in a sophisticated venue with a quality meal and no boring speeches, only a "dynamo" of a Mistress of Ceremonies. But the real secret is that the HOBI awards are focused on a critical member outcome: Homebuilders need validated ways to differentiate themselves and demonstrate quality. The HOBI awards, rather than being an internally focused time for the association to celebrate itself, present opportunities for members to showcase and market their achievements.

"We do a big push to get press coverage of the event and officially license the HOBI logo for our winning members to use in their advertising, which they do extensively. A HOBI win is a key tool for building a client base, marketing, branding, positioning products and services, and, ultimately, getting a leg up on competition. It's considered the Oscars of the homebuilding industry in Connecticut," says Ethier.

If we shift the frame, though, to focusing on outcomes, to "What are you trying to accomplish?" we can successfully engage our stakeholders in co-creating our future. As illustrated by the Community Roundtable case study below, when you commit to doing the hard work of uncovering where your members are trying to go and the obstacles that are preventing them from getting there, you can actively engage your community in the virtuous cycle of creating, iterating, and improving exactly what they need to overcome those challenges and accomplish their desired ends. Your members are eager to create content that will benefit the community and ultimately the association, if you can discover the topics about which they are passionate and that will make a meaningful difference toward achieving their goals.

A focus on outcomes means that you think in terms of solving problems rather than making sales. As Harvard Business School marketing professor Theodore Levitt famously remarked: "People don't want to buy a quarter-inch drill. They want a quarter-inch hole." The drill is only the means. Thinking in terms of what the customer ultimately wants to achieve might allow you to identify a new and better tool for making a hole, anticipate her need for anchor bolts to secure a heavy object, create simple instructions, realize that there is demand for a picture hanging service, and so on. This slight shift of perspective from selling an object to focusing on the customer's desired outcome creates new, more sustainable opportunities for both the organization and the customer.

Co-Creating

Nothing is more engaging than actually having a role in creating the outcomes you need, a voice in influencing a future direction or shaping an initiative. The linear product development model of "I make, you use" is dying. The best way to ensure that your products, programs, and services resonate with your customers' needs is to actually involve your customers in designing and testing them.

Co-creation and partnership with members should not be confused with passive "listening," as in "we ask members what new programs they want or what new ideas they have so they feel included." Remember, if you ask what they want, they're probably going to say, "faster horses."

People become engaged through opportunities to contribute to something that is important to them, roles that employ their talents in ways that are meaningful to them, connecting with people they want to know, and arriving at their desired outcomes. All of those are key elements of co-creation. To co-create, associations need to harness members' energy, insights, and experiences beyond that of consumers of products and turn them into partners in innovation.

Engaging members in co-creation means identifying areas of real convergence between members' and association's goals, what Hillary Boucher of the Community Roundtable calls the "sweet spot" in the case study detailed later in this whitepaper.

Harnessing the Power of Collaborative Community

In the most effective customer-engagement and service-delivery models we have studied, the association does not have to do all the work. Members engage each other to give and receive advice, solve problems, and develop new methods and tools. If the association understands, captures, and builds on this, members become partners in generating the very value that will increase their own and

National Fluid Power Association: Co-Creating the Tool

NFPA is the trade association of the fluid power industry, encompassing companies that make or distribute hydraulic and pneumatic components and systems and their suppliers. In common with many manufacturing and distribution organizations, NFPA does a lot of formal statistics work, providing the critical data and tools companies need to plan effectively in a heavily capital-intensive and cyclical industry. "We want to be *the* go-to source for the data needs of the industry," says Peter Alles, director of services and development.

How does NFPA ensure this?

About 15 years ago, NFPA noticed a drop off in participation in its statistics programs. Members reported that they didn't have the time to learn the confusing system, in which data came from too many sources and couldn't be easily managed. Working under the auspices of its Economics and Statistics Committee, NFPA brought together a group of members who knew the current statistics program relatively well to work with a professor of economics from a local university to build "The Electronic Statistical Tool Kit" to allow the entire

membership base to actually use data for their individual companies, the entire NFPA membership base, or both to do trend analysis, market analysis, and forecasting.

"About five years ago, we realized the tool kit had become quite sophisticated, so, with the direction of the Economics and Statistics Committee, we created a 'lite' version called The Online Dashboard where, every time they log in, members automatically see trend charts in key areas based on data that's updated monthly," notes Alles.

It's now time for an overhaul of the system, which NFPA has planned for this year. "We're in the process of choosing a developer who will work with a 'power users' advisory group to create the new incarnation," Alles says. "The whole process has always been very experimental and evolutionary. We've tried lots of things over the years—and some didn't work, and some did—but one thing that's remained constant is that we co-create the tool with our members as they ask for and suggest improvements, which keeps the development cycle going," concludes Alles.

their peers' engagement. Customer-centric organizations that demonstrate high levels of member engagement use community-based models to make the shift from transactions to relationships, in which the resources of the collective help individual stakeholders accomplish their goals, make authentic personal connections, and even build their own reputations and businesses.[14]

This is because they have realized that, in an age of interactivity and collaboration, you don't have to depend only on products, events, and content to deliver value. Increasingly, innovative for-profits and nonprofits are basing their value propositions and business models on communities in which members can engage with and learn from each other.

Communities of Practice (CoPs) are a mature concept. First developed by Etienne Wegner nearly 25 years ago, they are more formal than our usual understanding of "community": This is not parents who live in the same neighborhood standing around chatting at their kids' soccer game or people bantering over a listserv. Instead,

Communities of Practice are groups of people who share a concern or a passion for something they do and learn how to do it better as they interact regularly.[15]

Drug Information Association (DIA): Transitioning From Products to Relationships

DIA is an interdisciplinary association whose U.S.-based and international members span the full range of the pharmaceutical life cycle, including national and international regulators, medical and clinical researchers, individuals at pharmaceutical companies, individuals at medical device companies, and patient advocates. As such, it promotes interaction and cross-fertilization between research, statistics, marketing, medical writing, and regulation.

One of the key ways DIA accomplishes this is through DIA ConneX, an online platform that supports Communities of Practice and Scientific Working Groups.

What makes DIA's Communities of Practice unique?

"Our communities are largely self-managed. They focus on cross-disciplinary projects and have a high level of output," reports Patricia Gibson,

DIA's chief communications officer. The Scientific Working Groups require a formal invitation to participate. These communities originated organically and allow members to exercise peer leadership, collaborating on areas of investigation and outcomes that they choose. They provide an opportunity to advance the science and solve the problems related to medical products throughout their life cycle, with outcomes shared through publications, educational events, and other formats to benefit all DIA members and the professional community at large.

"Our most effective communities have a clear vision of what they're trying to achieve and recruit enthusiastic, passionate members to contribute to accomplishing that community-chosen work," notes Gibson. "That, in turn, influences our entire membership strategy, with the opportunities DIA offers to learn hands-on leadership skills as a major component of our value proposition."

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14. https://hbr.org/2013/02/building-customer-communities

15. http://wenger-trayner.com/introduction-to-communities-of-practice/

Critical components include:
- a shared domain of interest and a commitment to that domain
- engaging in joint activities and building relationships
- the practice itself, developing shared learning, resources, information, etc.

With the advent of increasingly sophisticated tools for collaboration and network-building, "community" is becoming the preferred platform for learning, doing business, solving problems, creating, and exchanging value in realms as diverse as retail (Amazon), real estate (Zillow), buying and selling (eBay), personal relationships (Facebook), and content development (Wikipedia). These types of knowledge-creation networks have a built-in advantage. While products have short shelf lives and can be duplicated by competitors, the value of a CoP lies in the network itself. Through their participation, CoP members can accomplish important goals together they could not otherwise have done alone.

Encouraging Continuous Learning

Given the dizzying speed of change and rapid rate in which information becomes obsolete, the only way to stay current on the topics about which your audiences are passionate and to understand their shifting goals and priorities is to become a learning organization. Just like we encourage members to take on the mantle of "lifelong learner," so too must our associations become lifelong learners, about everything from major socioeconomic trends to shifts in our relationships with individual members. Continuous learning is both a competitive necessity and source of customer value.

Beyond just acquiring knowledge and information, however, associations must become learning organizations. This means that decisions are made on the basis of experimentation, testing, learning from results, iterating, and improving, rather than by following procedure or adhering to the wishes of the most powerful person in the room.

The *Harvard Business Review* identifies three building blocks to a learning organization:[16]

1. a supportive culture
2. concrete processes and practices
3. leadership support

Building a culture that supports learning means providing a safe space for the diversity of thought necessary to produce new ideas and the time and mental space to evaluate and test them. For associations, that culture occurs both within the physical walls of headquarters and within the community of volunteers, members, and customers, due to the unique nature of decision-making in our world.

This is an uncomfortable place for many of us. We want the answer, and we want it now. Learning requires suspending our need for immediate certainty in favor of curiosity about questions, the world around us, and the environment in which we're operating (for more on this concept, see Chapter 9, "How to be Courageous," in Jamie Notter and Maddie Grant's book *Humanize*).

In the cases of SERMO, the National Grocers Association, the Community Roundtable, and others in this whitepaper, we are seeing new organizational models that involve members in dynamic laboratory-like platforms for continuous learning and problem-solving, which themselves provide new sources of value and potent forms of engagement.

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16. https://hbr.org/2008/03/is-yours-a-learning-organization/ar/3

Taking the Long View

The for-profit world, particularly publicly traded companies, has become a victim of extreme short-sightedness. Business decisions are often made entirely or almost entirely in light of next quarter's shareholder returns and performance against projections. It's difficult for CEOs and senior leadership to convince Wall Street to exercise patience while they invest for the long-term future of the enterprise.

In theory, associations should not be subject to these pressures. Nobody is watching our stock prices fluctuate, and generally only senior staff and the board know the details of an association's financials. We should be able to operate without having to provide a minute-by-minute accounting of ROI.

Many of us don't, though. We may be willing to test new ideas, but we pull the plug if we don't see immediate success, often narrowly defined as immediate positive revenue or growth in membership or attendance.

We're not discounting the importance of revenue. "Nonprofit" doesn't mean "NO profit." Associations, which should (*pace* Jeff De Cagna) be more properly referred to as "tax exempt," need revenue to keep operating.

But, when we have a laser focus on short-term revenue or membership gains, it can blind us to less tangible types of value that take longer to reveal themselves. As Community Roundtable's Hillary Boucher points out, member loyalty is not built in an afternoon. Successful initiatives often get that way through trial, error, iteration, and learning.

Many of the organizations we interviewed echoed this. More than once, interview subjects recounted identifying a member need or desired outcome, working with stakeholders (staff, volunteer, and member) to create something designed to address that need or goal, launching that initiative—and then not seeing the desired level of response, at least not right away. Sometimes, like with the virtual happy hours the Community Roundtable runs, an initiative just needs a little time for interest to develop. Sometimes, like with SERMO's overall revenue model, a program needs some adjustments. Sometimes, like with the local events that SCMAO sponsors, organizers have to change their expectations of the direct return the association will see and consider how a program contributes to a larger goal. The common theme is that, when things don't immediately work as expected, rather than calling the project a failure and terminating it, engaging organizations keep their eyes on their ultimate goal of creating vital community, and they do what is needed to build the authentic relationships their community members seek, pivoting as necessary.

Models of Engagement

"When individuals think about engagement, they often recall exceptional experiences. In some cases, these experiences occur because they are interacting with a company or organization that understands their needs on a deeper level ..."

*Innovations in Membership Engagement*, Avenue M Group[17]

One of the traps associations can fall into once we start paying attention to engagement is the constant push for more. The thinking is that, if some engagement is good, more engagement is always better. That's not necessarily the case. First, we guarantee that your association lacks the capacity for every member to be maximally engaged. Second, not all members are the same. A one-size-fits-all approach will diffuse your resources and yield superficial, low-value relationships.

Outside-in engagement is defined by your members, according to their current needs, goals, and level of relationship. Most sophisticated models of engagement recognize this, allowing for various levels and types of engagement to co-exist. The point is that what counts is not so much the total volume of customers but rather the careful targeting of strategic customers who generate the most value (and, remember, value is not necessarily measured by revenue). The most successful, engaging organizations we studied were not those who spread their resources thin trying to be all things to all people but those who understood how to convert passive consumers who completed transactions (buying programs, products, or services) into active partners in value creation.

In the models below, customer relationships are grouped by value, with transactional, commodity-based relationships at the lowest level and strategic, collaborative partnerships at the highest. The significance of grouping your members by value rather than region, participation, size of company, age, profession, revenue, or other typical measures is enormous. It gives you a blueprint for what it takes to convert a level-one customer to level three,

criteria for allotting resources and setting priorities, and a dynamic perspective on relationships. You now have a value and engagement framework to help you figure out what to do with new members once they get through the door and a path to understand value and engagement according to your members' desired outcomes. You no longer measure success merely by member count or revenue but rather by the outcomes you deliver and the increases in value of your existing relationships. New avenues for growth can emerge as a result.

Gulati Model[18]
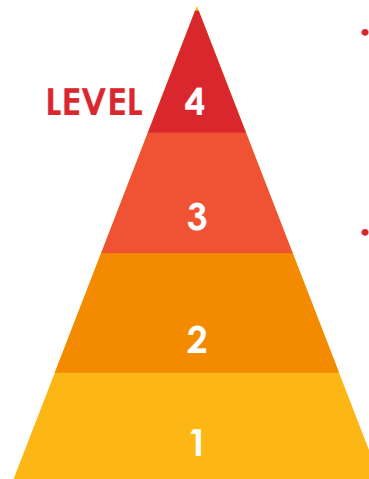
- **Level 1:** Organization is product-focused. Its goal is technical excellence rather than customer relationship.
- **Level 2:** Organization is more sophisticated about customers in that it understands segmentation via market research and seeks more targeted sales, but it is still primarily oriented toward product sales.
- **Level 3:** Organization has transitioned from products to solutions. Instead of focusing on sales of standalone products and events, it is now focused on identifying and crafting solutions for customer problems.
- **Level 4:** Organization is product-agnostic. It seeks a network of partners to serve customers' needs.

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17. http://www.asaecenter.org/foundation2/downloads/avenueMReport.pdf
18. http://hbswk.hbs.edu/item/6201.html

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www.thedemandnetworks.com

The Gulati model addresses focus or orientation, the underlying driver of decisions, actions, metrics, and organizational culture (whether or not it is openly articulated). The Level 1 organization has its attention turned inward, but by the time organizations have achieved Level 4, focus has shifted 100 percent to the customers and their goals. Gulati points out that the biggest transition is from Level 2 to Level 3. Many organizations get stuck at Level 2, unable to reframe their perspective.

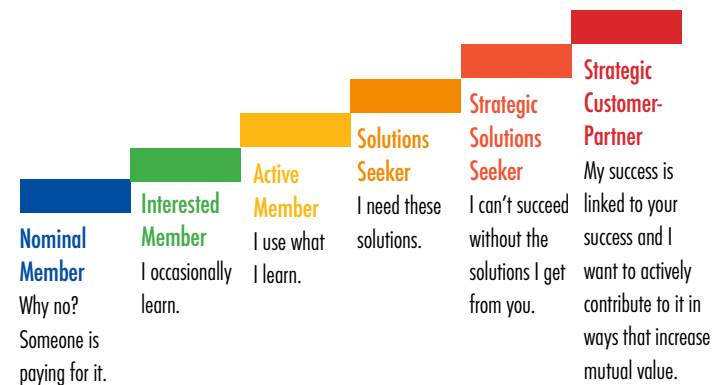## Lane-Gartner-Varroney Model[19]
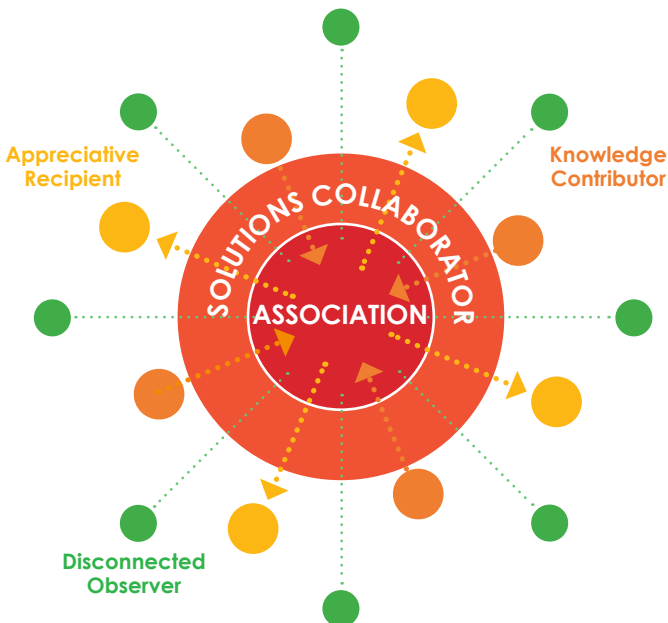
- **Disconnected observer.** These people are aware of the association's existence and may even consume small amounts of publicly available information, but they have no significant ongoing relationship.
- **Appreciative recipient.** This person is a member but has a consumer relationship with the association.
- **Knowledge contributor.** This member contributes to the knowledge base of the community.
- **Solutions collaborator.** This member takes a leadership role in shaping the community.

The Lane-Gartner-Varroney model has the advantage that it shifts perspective from the organization to the member, with a focus on accommodating the types of contributions the member wants to make and a goal of "mindshare," rather than just checking some boxes on desired outcomes. An organization is going to have audience members on each of these levels at any given time.

Caraveli Model[20]

Outside-in Retention Strategy:
Value and Engagement Continuum

Nominal Member	Interested Member	Active Member	Solutions Seeker	Strategic Solutions Seeker	Strategic Customer-Partner
Why no? Someone is paying for it.	I occasionally learn.	I use what I learn.	I need these solutions.	I can't succeed without the solutions I get from you.	My success is linked to your success and I want to actively contribute to it in ways that increase mutual value.

- **Nominal member:** "I just pay dues."
- **Interested member:** "I occasionally attend."
- **Active member:** "I learn and use what I learn to improve."
- **Solutions seeker:** "This organization contributes to achieving my goals in real and measureable ways."
- **Strategic solutions member:** "I cannot succeed without this organization."
- **Member partner:** "My success is the organization's success (and vice versa), and I want to contribute actively to that."

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19. http://www.verticalleapconsulting.com/defying-gravity-insights/research-and-articles/91-accelerating-strategic-member-engagement.html

20. Anna Caraveli, *The Demand Perspective,* p. 130

Characteristics of each type:

Nominal member
- member in name only
- employer generally pays dues
- may attend the conference or a program or two but doesn't see them as particularly relevant
- no personal tie to association (if the employer stops paying or she changes jobs, she's likely to lapse)

Interested member
- attends some events
- finds some of the association's offerings interesting or enriching but does not generally connect information presented with what matters most to her
- association membership is nice to have but not essential
- may have developed some personal relationships but no strong personal tie to association
- also at risk to lapse

Active member
- participates with a purpose (e.g., to meet professional development goals, obtain certifications, upgrade skills)
- sees participation as useful, but relationship is still product-based
- focuses on meeting narrow, tactical needs
- susceptible to "next most reasonable alternative" (buying comparable products from a competitor)

Solution seeker
- interactions with association directly support achieving goals
- looks to the association for solutions to strategic challenges
- identifies with the association
- tends to be a "best customer"

Strategic solutions member
- membership is a key strategic priority
- strong sense of belonging to a community
- feels that association provides solutions to key member challenges that cannot be found elsewhere

Member partner
- champion or evangelist
- involved in setting strategic direction of the association
- partners to co-develop value

The Caraveli model also starts from the perspective of the member and creates an active feedback loop into the total value of the organization's assets. As members progress through the various levels of engagement, they move from passive consumers to active co-creators of the association and its value proposition.

The point of each of these models is that relationships are not static. The association does not derive the greatest value from them upon recruitment or first solicitation but instead through development of the relationship over time. Notice also that the deepening relationship happens on both the association side and the member side. You mutually increase your investment in each other as the relationship grows, with both parties asking more of each other but also contributing more to each other.

Measuring Engagement

*"**Engagement is a personal relationship, not a transactional relationship**"*

The Future of Association Engagement, Association Laboratory[21]

Engagement as transaction is easy to measure. Don't get us wrong—it requires effort to do it—but it's conceptually simple. You choose the transactions, assign values, track, calculate, and report.

Customer-relationship-management (CRM) practices in the consumer realm demonstrate that this is a highly useful way of identifying the likelihood of future transactions. You can track interactions and identify patterns that signal a likelihood of a forthcoming purchase of, say, a membership. That might look something like this: You review transactional data and identify that once a prospect has signed up for your free enewsletter, then come to a free (with discount code) webinar, then attended an in-person local event with a small registration fee, then participated in a paid webinar, she is more likely to join than if you offer her membership right after the free webinar. And that is valuable, to help you know when is the right time to make a membership pitch with greatest chance of being positively received.

However, the outside-in model of engagement we're positing doesn't derive value primarily from transactions, but rather it stems from a combination of tangible and intangible factors, with the latter occupying an increasingly dominant role. Unfortunately, these are much harder to measure. Outcomes are not nearly as amenable to passive data collection or, in other words, to observing behavior and drawing inferences from it. You have to ask about outcomes. Even when we do ask members and other stakeholders what they think, we tend to ask the wrong questions. "Did you like the program?" is very different from "What outcome were you seeking by participating in this program? Did it help you achieve that outcome? How could we make it more effective for you?"

This type of tracking requires an entirely different process of data collection. We're not just talking about assigning a few points to actions like adding a profile photo in the membership directory or responding to a listserv question, adding up the points, and giving people digital badges or recognition on your website or in your member enewsletter for achieving various point levels. There is definitely a place for that type of tracking. It can be fun, entertaining, and useful for predicting future transactions, and, with a group of people who are competitive (you probably already know whether your members qualify), it can inspire frequent interaction. But it's not generating value as we define it: helping members achieve their most important goals.

One of the biggest challenges in tracking value-creating interactions that make a difference in your members' lives is that they can be hard to uncover. Think about the most recent conference you attended. What was the most valuable part of it for you? If you're like most of us, you'll probably answer: "The hallway conversation I had about a big problem I'm experiencing, where the person I happened to sit next to in a breakout and continued chatting with when the session ended had a really innovative idea for addressing it," or "I happened to meet someone at the networking reception who's been able to connect me with someone prominent in the industry I've really wanted to meet." Did the post-event evaluations ask about that, or did they ask about how you liked the formal speakers, the venue, the food, and the location?

That focus reflects the inside-out thinking we're trying to change. We tend to assume that our formal programs, products, and services represent our value proposition. We might acknowledge the existence of "soft" value by mentioning things like "opportunities for networking,"

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21. http://www.asaecenter.org/foundation2/downloads/associationLabReport.pdf

"exercising leadership," or "experiencing a sense of community," but we tend to consider them the incidental benefits that accompany our real goal of selling stuff.

What if we reversed that equation so that the personal, member-generated paths to engagement became the main focus of our value proposition, while our traditional roster of programs, products, and services served as the catalysts for helping members achieve the outcomes that resonate with their deepest motivations and purpose?

Yes, this makes measurement much more complex, but just because it's hard doesn't mean it's OK to skip it. As *Associations Now* recently pointed out, without metrics, you're working blind.[22]

Intangible value networks can be mapped, although they do not necessarily lend themselves to neat equations. As described by Verna Allee in the *Journal of Business Strategy*,[23] there are three "currencies" that both provide and return value:

- goods and services: tangible things that provide use to the customer and for which she pays
- knowledge: strategic exchange of information
- intangibles: things like a sense of belonging and loyalty

You map this "network of value" by creating a flow diagram that includes all the stakeholder groups and all the various value nodes in all three categories. This is not a simple process, and we highly recommend you follow the link above to see examples. But, to quote Allee:

" *Value networks are complex. They encompass much more than the flow of products, services, and revenue of the traditional value chain. Whenever there is a transaction in a complex enterprise, there is an exchange of value. Yet, only a portion of value exchange can be tracked or measured through service delivery or revenue generation.*

As more and more products and services depend on the exchange of knowledge and information, knowledge and intangibles become mediums of exchange or currencies in their own right. Direct revenue exchanges are but part of the picture. Knowledge and intangible value are of equal importance, and success depends on building a rich web of trusted relationships. In the knowledge economy these may indeed tell much more about present and future capability to achieve sustainable advantage.[24] "

22. http://associationsnow.com/2015/01/without-membership-metrics-working-blindfolded
23. http://www.sveiby.com/articles/Allee-ValueNets.htm
24. ibid

Overview

Imagine being part of a community of peers that is laser-focused on your real-world needs and challenges. Instead of pushing lists of benefits, products, and programs, the organization harnesses the collective intellectual power of your group to construct the concrete solutions and ongoing support you need. You are a partner and co-creator rather than a passive consumer. Your success is the sole focus of your service provider. Wouldn't you be engaged?

The Community Roundtable provides its members with such a community. TheCR is a boutique, for-profit membership organization for online community managers, directors of community programs within large enterprises, and other stakeholders in the health of communities, including everyone form support staff to executives. TheCR has more than 200 members and has experienced steady, intentionally slow growth since its launch in 2009. It provides a quintessential example of engagement through collaboration on solutions.

Background

The stated mission on TheCR's website is to advance "the business of community" by helping community leaders to succeed through education, collaboration, and new tools; advancing this new "business of community;" and capturing and documenting emerging knowledge. TheCR's underlying principle and driving force of all decisions is the success of the customer and the discipline.

In 2009, TheCR's founders realized that, while the adoption of social media was spreading like wildfire, there was little awareness of the complexities involved in building and managing online communities or support for the architects and managers of those communities. TheCR also understood that, as stated on its website, "the

use of social technologies would open a Pandora's box of implications and challenges for organizations," and hence increase the demand for resources and talent. TheCR was founded to help define, support, and promote the new "business of community" and build a foundation of new and emerging knowledge.

Value Proposition

According to TheCR Community Manager Hillary Boucher, soon after launching, "we found that the greatest value folks perceived in the community was not so much programs or tools but their communication with each other—the community itself. This is why facilitating connections between members became our focus and priority and the basis of our value proposition." According to Boucher, it is these connections that make TheCR unique. "We are constantly helping members collide from different functions and industries. It is this collision that brings some of the best ideas. The most valuable way to engage is by building relationships between members of organizations and between members and the association or service provider." TheCR's greatest source of sustainable value and engagement is its ability to identify shared challenges with its members and partner with them on solutions that benefit both parties.

Becoming Engaging

Relationships are the key connectors between community members. "By entering the community," Boucher explains, "members immediately begin to engage by establishing rapport with others. Peer relationships, above all else, create a strong bond among members and a feeling of belonging. TheCR facilitates the right connections to build these feelings of belonging and loyalty."

One of the differences between a purely social community and a business-oriented community is purpose. TheCR's

community experts intentionally construct and cultivate their platform to convert people who merely share a profession into a purpose-driven community of partners who work together to produce results critical to their own success.

TheCR helps members cut through the clutter via content curation. Instead of populating the website with reams of information and resources, TheCR curates content to member needs because, as Boucher says, "everyone is overwhelmed with information; we want to help members cut through the noise."

TheCR enables peer-to-peer, cross-industry problem solving. TheCR's membership includes people from different industries and those with different roles within the same organization who rarely, if ever, have opportunities to talk to each other. TheCR actively facilitates relationships conducive to results by introducing members with shared problems or goals to each other, by creating provocative dialogues between member groups and thought leaders, and by engaging members in solution-oriented collaborations and conversations in which they constantly learn from each other and apply what they're learning.

TheCR cultivates, develops, and engages members in leadership. "A leadership group," Boucher tells us, whether formal or informal, "is present in every successful community we have studied." She recommends that the development of such a leadership group be the starting point of any community.

What does the leadership group do? It confers an official role to the most active and engaged community members, thus deepening their commitment to the organization and advancing it to the level of partnership. It also departs from the command-and-control model common in associations and introduces a model of distributed leadership. These leaders have real authority to police community behavior, respond to requests, welcome new members, lead discussions, and help TheCR identify

hidden community value and scale community efforts. TheCR develops members into leaders and eliminates rigid boundaries between "members" and "staff."

TheCR invites members to be co-creators and shows them the results of their contributions. Instead of delegating research to a separate function or entity, TheCR uses its members' practices, experiences, and knowledge, gleaned from targeted discussions, regular roundtable talks, and formal research projects, as key sources of insight into the profession. TheCR organizes, analyzes, and archives this member-generated content and converts it into usable data and reports, which increase the collective knowledge capital in the profession. The results are shared back with the members, giving them fresh perspectives on their profession and insight into emerging patterns and trends. "Co-creating something and then returning the results back to members so they can apply it to their own communities and career advancement is a priority for TheCR," says Boucher.

That's not the end of the process, though. As new situations arise and new solutions are constructed, members update and expand archived reports and generate new discussions. Hence, a passive product like research data is both translated into new solutions and becomes the catalyst to new content creation, engaging members in a virtuous cycle of value creation and value conversion.

TheCR makes the case for community management. Advancing the still-emerging discipline of community management is a passion that drives both TheCR and its members. Members report spending up to 40 percent of their time merely defending and explaining what they do. Conducting joint research to make a case for the profession is an example of convergence between the needs of the organization and its members.

TheCR emphasizes retention over recruitment. TheCR advocates controlled growth in the size of its membership and continuous increases in the value and

depth of existing relationships. TheCR's model is based on converting casual members to high-value, high-revenue relationships. This is a long-term development strategy that requires patience and foresight, but it is also the basis of sustainable growth.

Metrics of Success

When asked about their goals and measures of success, Boucher highlighted elements of the TheCR's relationship with its members:

- member renewal and retention
- high levels of member engagement
- deep relationships with members that result in referrals
- successful collaboration with members
- intellectual capital and capability-building
- outcomes and impact

TheCR website sums this up succinctly:

"Today, we have over 100 member teams in TheCR Network and we are flush with research, data, and insights into how the discipline of community management is being practiced across a wide range of organizations, industries, and business objectives. We are grateful for the trust our members place in us to take their personal stories, aggregate and anonymize them into research, and use that research to be a strong voice in the market."[25]

Planning for the Future

Executive and volunteer leadership often expect immediate results from a new community initiative. "The truth is," Boucher explains, "that it takes time to take a person from awareness to membership, from membership to partnership and advocacy. We realize that relationships take time to show ROI. Our strategy is to build a small base of relationships and cultivate and grow them upward." Organizations cannot build the relationships that make a group of individuals into a community through a tactical focus on product sales and events. Engaging, sustainable relationships involve continuous growth and change in what and how members learn, perform professionally, adapt behaviors, and connect with the organization and each other.

The key, Boucher explains, is finding pockets of real shared goals and motivations, where community and organization interests truly merge. "Struggling communities," she says, "are usually those that haven't found shared value among and between stakeholders." The basis of health for the community is identifying what she calls the "sweet spot"—the point of connection between a company's and its customers' perceptions of value. Building truly collaborative communities around a "sweet spot" and engaging them in crafting solutions are perhaps the most powerful means of generating real and sustainable engagement.

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25. http://www.communityroundtable.com/our-story/

CASE STUDY
National Grocers Association (NGA): Value Networks Produce Economies of Scale

Overview

How can small, independent businesses compete with big-box retailers and multinational corporations? How can they promote the unique value proposition they offer—innovation, customer service, regional connections, and superior products—without the budget and reach of large budgets and national marketing campaigns?

That's exactly what the National Grocers Association (NGA) aims to do by serving 1,500 member companies that operate a total of 6,500 stores and representing the independent sector of the food-distribution industry, as well as affiliated associations, manufacturers, service suppliers, and others that have a stake in its mission and the health of the sector.

Background

How do independent business owners compete with the global companies and large chains that now dominate their communities? The solution that the National Grocers Association (NGA) came up with was deceptively simple: By banding together to create economies of scale, small, independent grocers can have a voice and influence in today's market, improving their own competitive position in the process.

Big, publicly traded supermarket chains have gradually defined our perception of grocery shopping, drowning out the voice of independent grocers and their alternative models. Yet, independent supermarkets are not just the charmingly anachronistic corner mom-and-pop stores. They are entrepreneurial, privately owned food retail companies that greatly vary in size and format, collectively generate nearly $130 billion in sales, and are responsible for more than 1.5 million jobs across America.

Value Proposition

NGA's value proposition is based on nurturing and supporting a community organized around shared identity, purpose, and economic interest.

Independent grocers rely on a complex network of resources and suppliers to help them get all the products their customers need on the shelf on time and at reasonable prices. By including all participants in their value chain, NGA recreates the economic environment members really live in and enables business relationships and transactions that are critical to the success of the sector. NGA transforms a passive value chain into a dynamic value network that boosts the competitiveness of all involved.

While the big chains compete on price and volume, NGA's members compete on relationships with communities and individuals, fresh produce, resourceful partnerships, and innovation. NGA creates the environment, conversations, relationships, and interactions that enable these to happen. It is this difference—its "distinctive voice," as President and CEO Peter Larkin puts it—that binds the members together. "What is it that a community of members can do better than an individual?" is the driving question NGA constantly asks to establish and reinvent its value proposition.

Becoming Engaging

To enable industry leaders to respond rapidly to their changing environment and engage in ongoing innovation, NGA has greatly intensified its research efforts, educational offerings, and laboratory-style initiatives.

Other associations have increased research and initiatives, however, without substantially changing their value to

members or the course of the association. What has NGA done differently? Underlying all these initiatives is a transformation of NGA's relationship with its members, from transactional to partnership. What does this mean in practice?

NGA frames issues and evaluates success in collaboration with members. NGA holds biweekly phone calls with members to learn about their key issues on a continuous and ongoing basis, and it frames and prioritizes issues collaboratively with them. NGA also engages members in an evolutionary process of learning and adapting by asking members to assess the association's progress in fulfilling its goals and promises to them every year.

NGA facilitates critical business relationships. One of NGA's most popular and fastest growing programs is the Trading Partner Business Sessions, which provides opportunities for members to connect with senior leadership at trading partners like wholesalers, manufacturers, and service suppliers to discuss mutual business opportunities, strategies, and goals. According to Larkin, the first trading partner business session took place in Chicago in 2014, with more than 330 meetings between members and major suppliers, like Kraft, Kellogg, and PepsiCo.

NGA promotes strategic partnerships. At the annual NGA Show, the association now partners with seven other associations (and their members who sell to supermarket companies) to showcase new products and services on the expo floor. Also, through a unique partnership with the Independent Grocers Alliance, NGA agreed to provide full member benefits to every IGA store in the United States.

NGA helps members leverage technology. NGA's Center for Advancing Retail and Technology (CART) launched the NGA Innovation Center. "Through this program, retailers will be able to serve as 'live learning labs' for consumer packaged-goods companies and trading

partners who want to test new products and solutions in independent stores," reports Larkin. The association also runs the NGA Solution Center, which helps members evaluate current technologies and construct a road map for increasing their technology capabilities. NGA also encourages (and is beginning to facilitate) independent grocers pooling of customer-specific data to enable them to create the kind sophisticated, personalized marketing campaigns that might otherwise be out of reach due to financial and technology constraints.

NGA has fundamentally changed the way it does business. This may be the greatest differentiator between organizations that succeed in becoming indispensable to their members and those whose efforts bear no fruit. For example, NGA hired new staff in certain positions, revamped roles, and set new criteria for performance and success. Why? Because customer and market centricity require non-bureaucratic, entrepreneurial models and capabilities for speed, deep market foresight, and customer insight. Crafting innovative solutions also requires people who are able to forge relationships, rapidly discern and act on opportunities that are not immediately visible, and reconfigure standalone initiatives into comprehensive solutions. In short, associations cannot engage customers on a new and deeper level until they reorganize internally to prioritize engagement and a customer-centric approach.

Metrics of Success

Customer satisfaction. Larkin assesses gaps in capabilities and sets a deliberate course for closing them through staff hiring and development, culture change, and innovation.

Engagement capability-building. Larkin regularly conducts member interviews to find out if NGA "had moved the needle," that is, created more value for members and responded to their needs, measuring against the baseline of prior rounds. The data shows that it has. ☀

Overview

In 2005, physician Daniel Palestrant noticed something important about his work environment at Beth Israel Deaconess Medical Center, a Harvard Medical School teaching hospital. He realized that camaraderie was built, insights were shared, and the best discussions about tough cases took place in spontaneous conversations among doctors at the hospital's water cooler. Palestrant felt that some of the best ideas emerged in such informal, community gatherings, often leading to breakthrough findings and inventions. Why not make such intimate and stimulating interactions available beyond hospitals' water coolers, to all doctors and geographic locations?

His answer was SERMO. Founded in 2005 by Palestrant, SERMO pioneered the physician social network movement. SERMO is a for-profit, private social network of more than 300,000 doctors, which represents approximately 40 percent of MDs and doctors of osteopathy in the United States.

Background

Palestrant's goal in founding SERMO was to recreate, in a virtual environment, the kind of professional and personal networking, information sharing, and collaboration he saw every day in his hospital environment.

SERMO's membership is free to physicians. Its revenue is generated from corporate members—pharmaceutical companies, medical device firms, and biotechs—who seek the expertise of SERMO's physicians and insights generated from their discussions.

In July 2012, pharmaceutical market-research firm WorldOne bought SERMO with the goal of expanding beyond the U.S. and opening its doors to doctors around the world.

Value Proposition

How do you convert random conversations into a sustainable, value-generating business? One model would be that of a professional association, offering conventional benefits in exchange for membership dues. SERMO's model is another option.

Instead of selling membership with a package of predefined benefits, SERMO sells access to a unique community, a "virtual doctor's lounge," where doctors can talk freely with peers and find solutions to difficult medical cases. As SERMO describes it, its value to physicians is that it provides an environment that fosters "the meeting of medical minds and hearts."[26] In the face of increasing silos and isolation in healthcare, SERMO delivers authentic connection between doctors, reminding them of the original reason they became doctors in the first place, while also helping them deliver better patient outcomes.

SERMO's leadership also realized that by leveraging these revealing and high-value conversations, it could create another key source of value for a different category of clients: corporations in the healthcare sector for which access to those conversations would provide a front-row seat to their markets, giving them insights into emerging problems and inventions and a competitive edge over rivals.

SERMO's value proposition then, and the basis of its business model, is one of constantly converting one source of value into another and reconfiguring intellectual assets into solutions for different customer needs. SERMO's

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26. http://www.sermo.com/what-is-sermo/overview

revenue comes largely from two sources: market research and engagement products, in which sponsoring companies directly engage the community in a variety of ways.

Becoming Engaging

SERMO engages directly with members. All new staff members are required to spend a month just talking to doctors. This is not a one-time effort. SERMO Community Director Christian Rubio reports spending hours each week just talking, one-on-one, with members and becoming immersed in their world.

SERMO develops trust among the community members. Doctors participate anonymously, which, according to Rubio, loosens their inhibitions and encourages sharing. At the same time, SERMO monitors community behavior and addresses any threats to ensure physicians see the community as a safe place. While SERMO does not interfere with the community discussions and momentum that emerges, it does shape the environment. According to Rubio, SERMO changed the format from a free-flowing blog that was "too rant-friendly" into its current, more structured form, and it recruited and developed "influencers" as community leaders and "energizers." These influencers are people who are held in high esteem by their colleagues. Their role is to help organize the communities, participate in them, provide leadership and stimulus to the discussion, and serve as advisors to SERMO.

SERMO prioritizes building relationships over selling. SERMO treats corporate members as equal community partners and strives to understand their specific problems and then customize solutions to match each company's needs.

SERMO leverages the power of the collective to engage people outside its membership. Having established a collaborative and engaged learning community, SERMO

can easily generate polls, surveys, and other forms of feedback that make physicians' voices heard in areas such as healthcare models, legislation, regulations, Medicare reimbursements, reporting and communications systems, physician shortages, and so on. SERMO has been so successful in representing its audience that, in 2008, presidential candidates Barack Obama and John McCain "agreed to open a dialog with physicians on SERMO by answering questions ranging from their stances on healthcare regulation to the recent shortage of primary care specialists. In less than 24 hours, the candidates garnered thousands of responses from physicians across the country."[27]

SERMO has created a self-sustaining value and connection loop. SERMO maintains an ongoing stream of multidirectional engagement through a self-sustaining loop of value conversion. The more content that members contribute, the more useful the site is to physicians and doctors, and the better the chance for it to involve a broader audience in knowledge sharing. Knowledge sharing, in turn, energizes discussions, which leads to contributing more content. SERMO engages in "perpetual optimization," converting the product of one group into value for another group. Conversations are archived and searchable, and, because threads never "close," conversations can remain alive for years as members update old posts (e.g. when a standard of care has changed), create new posts on a topic, or share links to older posts to check on their continuing validity.

SERMO returns value to the community. SERMO uses the community platform to aggregate data on physician sentiment and practices, which it reports back to members. It does the same thing with everything else it learns with the members' help, such as sharing the results of surveys physicians participate in. This is one of the most useful sources of member value, allowing doctors to learn from their own community and demonstrating that they are being heard.

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27. https://hbr.org/product/SERMO--Inc-/an/809142-PDF-ENG

Metrics of Success

Rubio makes a distinction between "engagement" (in the sense of actions and transactions, such as attending events or buying products) and "connectedness" (the degree of connection with the community members feel). When he joined SERMO about two years ago, engagement scores were phenomenally high. Yet Rubio's assessment was that the connection scores were low. To measure connectedness, Rubio believes, you need to answer questions like "What is your engagement getting you?" and "Are we delivering on a promise we've made?" According to Rubio, real connection emerges from participation and a sense of ownership. His goal is to convert members from information recipients to co-creators of content and solutions.

CASE STUDY
Society of Hospital Medicine (SHM): Communities of Stakeholders and a Shared Mission

Overview

Traditionally, hospitalized patients have been cared for by a cadre of specialists, none of whom had a holistic picture of patients or any responsibility for monitoring and coordinating their care. While each is an expert in her particular area, this often resulted in preventable negative outcomes because no one was watching the whole picture. This could be considered a problem—or an opportunity.

The Society of Hospital Medicine (SHM) is a relatively young, rapidly growing association that, as stated on its website, was "developed specifically to support and enhance the practice of hospital medicine and delivery of patient care in the hospital setting."[28]

SHM's 14,000 members are hospitalists, physicians, and other clinicians dedicated to providing care to hospitalized patients.

Background

Hospitalists are facility-based doctors who manage, supervise, and coordinate in-patient care. SHM was founded less than 20 years ago to support this emerging specialty and contribute to the transformation of in-patient experience by focusing on the care and safety of hospitalized patients.

This mission became the foundation of SHM's value proposition, culture, and business model. The association facilitates all relationships that contribute to patient care, which is reflected in the culture of interaction and collaboration SHM has built and in its partnership strategy.

Value Proposition

SHM serves the entire community of stakeholders involved in in-patient care: patients, hospital executives, physicians, and colleagues in healthcare. SHM also reinforces the unique nature of the hospitalist specialty, as pioneers in patient-focused care. Hospitalists are the only ones that have a comprehensive view of the patient as a whole person and understand how all the pieces fit together: medical, financial, psychological, and social.

By focusing on patient care, SHM can bring together and provide value to a host of stakeholders, from hospitalists and hospital executives to patient communities and hospital management groups. However, SHM does not force all these stakeholders into the box of "membership."

SHM's strategy is to persuade people of the value of hospitalists by helping them experience it directly. For example, Medicare scrutinizes hospitals' financial practices and levies heavy penalties for violations. Hospitals can turn to hospitalists, with their holistic understanding of all aspects of patient care, to provide solutions.

Also, through programs like SHM's Leadership Academy, which merges business and medical education, the association helps members acquire competencies in finance and management to "speak the language" of the nonmedical, strategic functions within the hospital.

Becoming Engaging

SHM is a rapidly growing association that engages its members around their passion for transforming in-patient care. According to Associate Vice President of Communications Brendon Shank, "the sense of joining a young, vital, 'revolutionary' movement definitely motivates

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28. http://www.hospitalmedicine.org/Web/Membership/membership_join_or_renew_society.aspx

members to join." SHM uses this energy to create engagement by delivering on its promise of improved patient care.

SHM actively facilitates communities and connections. SHM supports a dynamic community in which members can interact and collaborate with each other as well as with professionals from other hospitals and specialties they rarely, if ever, have the chance to connect with in real life. In managing these communities, SHM's goal is not to control through constructing rules and policies but rather to facilitate high-quality conversations. SHM is also careful not to treat non-hospitalist stakeholders like second-class citizens. "The best way to engage them is by understanding and helping solve their challenges as well," says Shank.

SHM identifies and taps the driving motivations of all stakeholders. Patients and their families, for example, are eager to engage with others in their situation in patient communities. Hospitals need research and new tools and models to help them control costs, increase patient safety, optimize care, and stay abreast of relevant news and developments. Hospitalists need business and other nonmedical skills to increase their value to the hospitals. SHM provides a home for all of these groups and a platform for achieving their desired outcomes.

SHM works with community members. SHM has developed a number of specific programs in collaboration with its audiences. One example is SHM's participation in the ABIM Foundation's Choosing Wisely® campaign,[29] which facilitates conversations between patients and doctors to reduce overuse of tests and procedures and supports patients in their efforts to make smart and effective care choices. SHM also offers the Project BOOST® Mentored Implementation Program,[30]

a yearlong initiative wherein hospitals receive expert mentoring and peer support to aid in improving the care of patients as they transition from hospital to home. SHM provides toolkits to patients to help them transition from the hospital to home or other care facilities. SHM also hosts the Hospital Medicine Exchange (HMX), an online collaboration platform that facilitates the exchange of ideas and information and provides the opportunity for hospitalists to give and receive advice on difficult medical cases.

SHM provides multiple and flexible avenues for participation and engagement. Volunteers, for example, can serve in more traditional committees and task forces, work on public-policy positions, serve as speakers or mentors, help shape innovative new tools and healthcare models, or participate in experimental prototypes and research studies.

SHM doesn't claim to have all the answers. According to Shank, "the point is not who created or produced programs or tools but what type of solution you are capable of delivering. We are open to partnerships with anyone, peer or competitor, who enables us to leverage external resources to craft unique solutions that help us achieve our organizational goals."

Metrics of Success

SHM's membership continues to grow at a rate of 10 percent to 15 percent annually.

SHM is also influencing the larger medical community. Its innovative and award-winning mentored implementation model has been adapted to address critical issues in hundreds of hospitals across the country. ☀

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29. http://www.hospitalmedicine.org/choosingwisely

30. http://www.hospitalmedicine.org/Web/Quality___Innovation/Mentored_Implementation/Project_BOOST/Project_BOOST.aspx

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Conclusion: Becoming Engaging

> "*Associations define engagement as volunteering, contributing, attending, or actively participating in the advancement of the field. The dictionary, however, defines engagement as any of the following: to involve a person intensely; to draw somebody into conversation; to participate; to draw in; and … to win over or attract or occupy the attention of. So what's more important is whether members' attention is being occupied and attracted by the association.*"
>
> *The Art of Membership,* Sheri Jacobs, FASAE, CAE[31]

As Anna frequently remarks, organizations engage by becoming engaging. We do this by adopting an outside-in perspective, by focusing on helping members and other audiences achieve their most critical outcomes, by co-creating our organizations with them, and by allowing and encouraging them to define the terms of their involvement with us.

"That all sounds great," you might be thinking. "But how does my association actually do that? Where do we start? How do we transform from an organization focused on getting people to do what we want into a vital community with highly engaged, loyal members who see us as critical to their ability to be personally and professionally successful?"

Obviously, the numerous examples and case studies we've offered above can help point the way.

The **Home Builders & Remodelers Association of Connecticut** refocused its awards (a traditional association program) entirely on the needs of the members. The event includes no long speeches or association business but rather is directed fully at recognizing member excellence, which members then feature prominently in their own advertising.

The **National Fluid Power Association** has, with its members, co-developed its industry statistics reporting (another traditional association program) into a rich interactive online toolset.

American Mensa helps people who often feel like outsiders "find their tribe," through informal, highly idiosyncratic special-interest groups that are initiated and run by members. Mensa changed its internal culture to get comfortable with this level of SIG autonomy to preserve the "juiciness" that draws members in the first place.

Instead of continually creating new programs, products, and services, the **Association of Delaware Valley Independent Schools** focuses on brokering relationships and increasing the value of those relationships for all stakeholders.

The **Drug Information Association** used interactive Communities of Practice to transform membership from a commodity to a partnership.

The **Association for Corporate Counsel** has shifted its perception of its business and goals from "producer of programs and events" to "facilitator of members' success."

The **Supply Chain Management Association Ontario** devoted substantial resources to developing a deep, multifaceted understanding of members and other stakeholders, including their goals, outcomes, challenges, needs, and wants, and is in the process of shifting the strategic and operational direction of the association to align with what they learned.

SERMO leverages cross-industry relationships to generate value for all stakeholders and constantly seeks

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31. Sheri Jacobs, FASAE, CAE, *The Art of Membership,* p. 233

new ways to convert the value of one group into a different type of value for another.

The **National Grocers Association** has expanded its definition of relationship beyond "association to member" or even "member to member" to facilitate strategic, high-level connections between members and their suppliers, which increases members' ability to innovate and compete. Those suppliers are, at most, a peripheral audience for the association, but in-person meetings with suppliers are a critical member need, which they could not effectively accomplish on their own.

The **Society of Hospital Medicine** energizes its community around creating a revolution in healthcare, focused on coordinating a holistic approach to all aspects of patient care.

The Community Roundtable has created a strong value network of respected peers and high-quality research. Members are in a continuous loop with TheCR and the larger community of raising issues and trends, researching them, feeding results back into the community, and refining and building on responses to those results to raise the next set of issues and trends.

What are the common themes in all these examples?

People become engaged by doing. Look for ways to invite members and other stakeholders in as co-creators of the value your association provides, not mere passive consumers of it. People are seeking vital community, and building the dynamic relationships that support it is the real business of our organizations.

People become engaged around the outcomes they seek, not the outcomes you seek. The organizations with the most engaged members have successfully identified a critical goal for their audiences and built value around that. Those solutions form the core of their value proposition. And the more strategic the solution, the higher the level of engagement.

This also requires that we get ruthless about killing things that aren't working. Your audiences don't care about 20 little things; they care about a few big things. Your job is to find out what those are and focus on doing the things that really matter to them, really well.

Membership is everybody's business. Nowhere is this axiom of association management more applicable than in discussions about engagement. It's common for engagement to be relegated to the membership team. This is particularly the case when engagement is viewed as some sort of time-limited campaign or project that needs to live in a particular functional area. Leading engagement from the outside in requires commitment at all levels of your organization to transform your culture from a focus on departments, product lines, silos, and territory to a focus on the member and her needs. Your goal is to bring value to members in ways that are beneficial for them while also creating additional value for the association itself, regardless of how that meshes with your organizational chart. This may require getting some of the wrong people off the bus. Outside-in organizations cannot tolerate behaviors like hoarding information, us-them thinking ("Why does she get more money and staff and I don't?"), territorialism, or putting the good of self or team ahead of the good of audiences and organization.

You can't fake it. Associations elicit feedback from members all the time. But how often does it result in any concrete action? Product-driven, inside-out organizations make decisions internally. We check the box that reads "conducted annual member satisfaction survey" and move on. Relationship-driven, outside-in organizations understand that their business models and value propositions cannot exist without interactivity and co-development with members. They really talk to, and listen to, their audiences, get over their fear of criticism, and do something meaningful with what they learn. Becoming customer-centric requires a total shift of focus from sales of memberships, programs, products, services, and volunteer opportunities to the sole goal of enabling members' success: What are their key problems, needs,

goals, and outcomes, and what can the association do to address them?

Does this sound hard? Good. It *is* harder than the normal way associations operate.

Properly understood, engagement is nothing more or less than the development of real relationships with our members and other audiences. Authentic relationships take time to develop, involve increasing commitment on both sides, require us continually to be learning more about each other, and are focused on helping each other achieve important goals. Through the process of developing genuine relationships, associations become necessary partners in helping our audiences achieve their most important goals, and we achieve our goals—to be financially healthy, vital, growing, mission-driven organizations—as a result.

Questions for Reflection

- How do you currently learn about your audiences? How frequently do you have direct, unstructured interaction with them? What about your team or department? The rest of your association? How do you capture and share the insights you glean from those interactions? How do you apply those insights?

- What do you know about the outcomes your audiences seek? Their most pressing professional problems and needs? What concrete things are you doing to help your audiences address those problems and achieve those outcomes?

- How closely do your programs, products, and services align with the way members perceive value, learn, and interact with each other?

- What are you doing to capture and understand the value your members derive from less formal and structured interactions with the association, individual staff members, volunteers, other members, and the association community as a whole?

- How do your audiences receive and experience value outside of your association? Who is your competition for their limited attention and resources? What is your competition doing as well as or better than you?

- How do you facilitate members building relationships with the association? With each other? With their key stakeholders (like in the NGA case study)?

- Do you encourage members to co-create value with the association? How?

- How do you currently measure engagement? Are you tracking and rewarding what the association values or what the members value?

- What's one thing you could do differently tomorrow to begin shifting your association toward providing value to your members as they define it, helping them to solve their most pressing problems and achieve the outcomes they desire?

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About Anna Caraveli

Anna Caraveli is managing partner of The Demand Networks, LLC, and author of *The Demand Perspective: Leading Associations From the Outside In*, published by ASAE in 2015. She has 25 years of experience in the nonprofit sector, with associations, universities, and other knowledge and member-based organizations, in the areas of member and customer engagement, organizational and market development, innovation, and growth strategies.

Demand Networks is a research, consulting, and organizational-development firm that also specializes in customer and member development. Its focus is on helping organizations connect with what matters most to their members and customers; achieve new, deeper, and more sustainable levels of engagement; look at their assets and challenges through the perspective of the customer; and transition to new member- and people-centric models to increase value and revenue.

Anna's career highlights include serving as key architect of two new enterprises for the George Washington University, which she carried from concept to launch: a new school, The College for Professional Studies; and a for-profit entity, GW Solutions; launching the Demand-Centered CEO Network, an R&D community of innovative association CEOs; and helping the Regulatory Affairs Professionals Society (RAPS) turn around its relationships with its chapters.

Prior to consulting, Anna created and led to success the Smithsonian Campus on the Mall, a continuing and professional-education division of the Smithsonian Institution's membership arm, and served as director of strategy and development for executive education at the Brookings Institution in Washington, DC, building strategic relationships with corporate clients and redesigning the Institution's flagship executive education program.

Anna has a Ph.D. in comparative literature with a secondary concentration in anthropology/ethnographic research from SUNY Binghamton.

About Elizabeth Weaver Engel

Elizabeth Weaver Engel, M.A., CAE, CEO and chief strategist at Spark Consulting LLC, has more than 17 years of experience in association management. Although her primary focus has been in membership, marketing, and communications, her work has been wide-ranging, including corporate sponsorship and fundraising, technology planning and implementation, social media and internet strategy, budgeting, volunteer management, publications, and governance.

Spark provides strategic membership and marketing advice and assistance to associations that have the willingness and capacity at both the staff and board levels to ask themselves tough questions and take some risks in service of reaching for big goals. Forget settling for incremental growth by making minor changes to what you're doing—we're going to uncover and solve the root problems that are holding your association back!

Elizabeth combines a focus on asking the right questions and finding and implementing creative solutions with a broad understanding of the association sphere. Throughout her career, she has excelled at increasing membership, revenue, public presence, and member satisfaction while decreasing costs through a focus on the efficient and effective use of data, staff, and technology to serve organizational goals and constituents.

Prior to launching Spark, Elizabeth consulted in online campaigns and marketing and internet and social media strategy for Beaconfire Consulting and in a wide range of subject areas in association management in the not-for-profit consulting practice at RSM McGladrey, Inc. She has also served associations directly in a variety of positions, including director of member services and IT, director of marketing and sponsorship, vice president of marketing, and acting CEO.

Elizabeth is a Certified Association Executive and holds a master's degree in government and foreign affairs from the University of Virginia.